

Section 5311 State Management Plan New Hampshire Department of Transportation

1.1 Introduction. This document spells out the policies and procedures of the New Hampshire Department of Transportation in administration of the Section 5311 Rural Public Transportation program. As a general rule, the Department's requirements for this program are those of the Federal Transit Administration (FTA). These are spelled out in the program guidance circular published by FTA for the Section 5311 program, FTA C. 9040.1E.

1.2 Roles and Responsibilities. The New Hampshire Department of Transportation has been designated by order of the governor as the agency responsible for state administration of FTA public transportation programs. Within the Department, that responsibility falls upon the Bureau of Rail & Transit. The Bureau works with other state agencies involved in funding transportation services, as well as regional planning commissions and local jurisdictions, in its administration of the Section 5311 program.

2.1 Section 5311 Program Goals. The goals of the Section 5311 program are:

- To enhance the access of people in non-urbanized areas to health care, shopping, education, employment, public services and recreation;
- To assist in the maintenance, development, improvement, and use of public transportation systems in rural and small urban areas and improve the stability of existing services;

2.2 Section 5311 Program Objectives. The Department's objectives in administering the Section 5311 program are:

- To make the maximum use of the state's formula allocation by targeting available Section 5311 funds to eligible regions according to demonstrated need and the effectiveness of existing service;
- To monitor performance measures of recipients to encourage improved effectiveness and efficiency from year to year;
- To maintain a minimum workable level of Section 5311 funds sufficient to support viable operations by existing recipients before providing grants to new recipients, unless additional funds are available;
- To facilitate the most efficient use of all Federal funds used to support passenger transportation in non-urbanized areas through coordination of services; and
- To utilize FTA Section 5309 and any other sources of capital assistance to augment Section 5311 funds in replacing aged vehicles with new vehicles; and
- To use streamlined, efficient procedures for applications, drawdown of funds, and reporting by recipients to keep administrative burdens to a minimum.

2.3 Program Eligibility. The state does not impose any limitation on Section 5311 recipients, services, or assistance categories more restrictive than those established by FTA. Eligible recipients are the state and its subdivisions, Indian tribes and private nonprofit corporations engaged in providing public transportation services. Recipients are encouraged to work with private providers. Eligible service is regular transportation for the general public or to disadvantaged groups to augment service for the general public, in areas not designated by the Census Bureau as urbanized (population 50,000 or more). The Department defines eligible service areas as those cities and towns in which a transit provider offers regular scheduled service open to the general public. Charter and school bus operations are not eligible except as permitted by FTA regulations. The eligible assistance categories shall be those established by FTA: administration, capital, and operating expenses, as outlined in the FTA Section 5311 circular.

2.4 Local Share and Funding Requirements. Local Section 5311 recipients are responsible for providing matching funds in the amounts specified by FTA, at a minimum. The Department will provide other sources

of funding to augment these funds, if available, but unless new or additional sources are available, the recipient will be responsible for providing 20% of administrative and capital expenses and 50% of operating deficits.

3.1 Project Selection Criteria. Before receiving Section 5311 funds, applicants must meet the following criteria:

- The applicant shows that its service effectively addresses a demonstrated community need.
- The applicant has the fiscal and technical capacity and adequate budget to operate its service.
- The applicant has successful experience in providing transportation services.
- The application shows coordination with other transportation providers in the service area: public, nonprofit, and for-profit.
- The applicant demonstrates involvement in and support for the project, financial and otherwise, on the part of citizens and local government.
- The applicant demonstrates effort to involve the private sector in the delivery of transportation services.
- Elderly and disabled citizens have full access to the applicant's services.
- The applicant successfully demonstrates service efficiency and effectiveness, measured in ridership, service miles and hours, costs, and fare recovery. New applicants must demonstrate the ability to measure performance and achieve goals.
- The applicant complies with relevant Federal and state regulations, and has a history of compliance with regulations and reporting requirements.

3.2 Distribution of Funds. For applicants that meet the above criteria, the Department determines funding levels based on existing funding to recipients, on anticipated Section 5311 funding, and on applicants' service measures such as ridership and service hours and miles. Capital funding will be provided on a discretionary basis, depending on the indication of need by recipients as reflected in their capital plans. The Department does not distinguish between local revenues and funds derived from service contracts from other agencies, including those contracts paid with federal funds; both are considered local matching funds. Recipients may use in-kind contributions as local share, with the approval of the Department. To the extent that funding permits, the Department will consider applications from all regions of the state. The Section 5311 selection process considers service to a wide range of geographical regions as well as minority and other disadvantaged groups as a factor in selecting projects.

3.2.1 Section 5307 transfers. For those recipients adjacent to or partly within an urbanized area, the Department may require the transfer of Section 5307 funds apportioned to that area to Section 5311 for that recipient's non-urbanized area service. Other available Section 5307 funds may be transferred to the pool of Section 5311 funds, or to other urbanized areas in accordance with FTA procedures.

3.3 Planning. The state and regional transportation planning process contributes to the development of service planning and improvements in the Section 5311 program. The Department uses FTA planning funds to assess transportation needs in non-urbanized areas through contracts with consultants, transit operators or regional planning agencies as appropriate. These plans, as well as those developed by metropolitan planning organizations, play an important part in the design of transit services. The Department includes the Section 5311 program funds in the Statewide Transportation Improvement Program (STIP).

3.4 Intercity bus program. The Department will consult with private bus operators, Section 5311 recipients, and others in selecting projects for funding under the Section 5311(f) program through an annual notice. The Department may use some or all of the required set-aside of Section 5311 funds in this program for rural transit service if intercity needs are being met relative to other non-urbanized transit needs and the required certification is made. Funding for the intercity bus program may be for administrative, capital, and operating expenses. All Section 5311 reporting and compliance provisions apply to the intercity program as well.

3.5 Program of Projects Development. Approximately two months before submission of the program of projects to FTA, the Department distributes applications with explanatory material to all recipients. If funding permits, a public notice will be issued with copies sent to other potential applicants, inviting requests for the Section 5311 application, approximately three months before submission to FTA. Department staff reviews each application for content and compliance with all requirements, and awards are based on the criteria listed in 3.1 above. The program of projects is then submitted to the FTA regional office. The Department may transfer Section 5307 funds, Section 5310 funds, or flexible funds to Section 5311 as specified in FTA guidance; notice of the transfers is forwarded to FTA.

4.1 Coordination. The Department strongly encourages coordination of public transportation services supported by FTA and other federal sources. The Section 5311 application requires potential recipients to spell out their efforts at coordination with other providers. The Department attempts to achieve close coordination between the Section 5311 and 5310 programs by offering other agencies an opportunity to comment on Section 5310 applications. The Department requires all Section 5310 applicants to offer Section 5311 operators in their community the opportunity to review their request to the Department. A capital grant will not normally be awarded to a provider in a community served by a Section 5311 operator unless that operator certifies that it cannot feasibly provide the proposed service. The Department actively seeks, through participation in committees, studies, and demonstration and technical assistance projects, to coordinate funding provided by other sources in a similar manner.

5.1 Private Sector Participation. The Department requires Section 5311 applicants to certify that they have complied with the guidance for private sector participation published in the FTA Section 5311 circular. Outreach includes an opportunity for public hearing, which affords private operators an opportunity to express interest in operating the proposed service or portions thereof. The Department requires each recipient to have in place a procedure for hearing and resolving any complaints from private operators, and to inform the Department of any changes in such procedure. In the event a complaint cannot be resolved at the recipient level, the Department will mediate the complaint.

6.1 State Administration and Technical Assistance. The Department utilizes its share of the Section 5311 grant to cover expenses related to program administration, compliance monitoring, and technical assistance. These expenses include salaries and benefits, overhead, office expenses, equipment, travel, and other approved administrative costs. Technical assistance includes advice to recipients of their regulatory obligations, both state and federal; assistance with financial management of recipients' programs; site visits and meetings with boards and staff of recipients as appropriate; and other assistance as needed. Other technical assistance is provided through the Rural Transit Assistance Program (see 6.3 below).

6.2 Program Management. The Department enters into an annual contract with each Section 5311 recipient. The contract requires adherence to FTA and state guidelines for program management.

6.2.1 Accounting requirements. Recipients must maintain ledger sheets on forms to be approved by the Department and payment and receipt registers. Recipients submit to the Department monthly and quarterly statements indicating all revenues and costs. The recipient maintains records for three years after grant closeout for inspection by the Department. Requests for payment to the state must include total costs, revenues, and local matching funds, as well as the Section 5311 portion of the costs. Payments are generally made on a reimbursement basis for costs incurred by the recipient. Each recipient is responsible for retaining an independent auditor to perform an annual compliance and financial audit, to be submitted for review to the Department. Final payment and closeout, if applicable, are withheld pending receipt of any pending reports, including certified audit, and recipients must provide any required reimbursement within 30 days of the audit date.

6.2.2 Equipment procurement. Vehicles are procured by the state in compliance with state purchasing regulations and federal regulations, including 49 CFR Part 18 and FTA Circular 4220.1D. In the event a recipient is able to participate in procurement by another agency capable of realizing economies of scale and complying with procurement regulations, the Department will consider requests to depart from exclusive state procurement. Recipients may purchase other equipment such as radios directly under small purchase requirements. Title to equipment rests with the recipient, but the Department holds a security interest or lien throughout the useful life of the equipment and is responsible for protecting the federal interest in the property.

6.2.3 Equipment and property management. Each recipient's contract requires compliance with vehicle maintenance guidelines in the interest of operating safe, clean, and properly functioning vehicles, and with facility construction and property management regulations and guidelines. The Department receives annually an inventory of vehicles and other project equipment and a certification of the current use and continued need for the equipment, and conducts an on-site inspection of vehicles at least biennially. Evidence of adequate levels of insurance on vehicles and passengers must be presented to the Department prior to reimbursement for Section 5311 expenses.

6.2.4 Vehicle use and disposition. The Department verifies through regular site visits that recipients are using vehicles consistent with their funding applications and with FTA guidelines. The Department has established the following useful life thresholds for all vehicles: vans, sedans or station wagons, 4 years or 100,000 miles; small buses, school buses, or minibuses, 6 years or 150,000 miles; transit buses under 30 feet, 7 years or 200,000 miles; 30-34 feet, 10 years or 300,000 miles; 35 feet or over, 12 years or 500,000 miles; over-the-road coaches, 12 years or 1,000,000 miles (whichever comes first). Vehicles that have not reached the useful life threshold may be sold only with the approval of the Department under unusual circumstances, if appropriate reimbursements are made. Vehicles beyond the useful life threshold may be sold for fair market value or at the state surplus property auction. All proceeds from equipment sales must be dedicated to the recipient's transportation program. The Department may require transfer of vehicles to other eligible recipients if their use does not meet minimum mileage thresholds or is not consistent with program purposes, or if the vehicle is no longer needed for rural transit. In such an event, the agency receiving the vehicle may have to pay the appropriate local share to the agency from which the vehicle was transferred.

6.2.5 Other reporting requirements. Each recipient is required to submit a quarterly narrative report of program activities; a quarterly performance report detailing costs, revenues, service hours and miles, passenger trips and other pertinent information; accident reports if applicable; documentation of DBE contracting; and evidence of workers compensation insurance.

6.3 Rural Transit Assistance Program management. The goal of the Rural Transit Assistance Program (RTAP) in New Hampshire is to improve the quality of public transportation through a higher level of training of personnel involved in the delivery of services, technical assistance to transit and paratransit operators, and other support to public transportation. The emphasis of the program is on assistance to rural transit operators, while including other transit and paratransit operators to the extent possible. The Department relies on information from transportation operators, as well as its staff, to select projects for inclusion in the state's program. This information comes from the state transit association or an advisory committee that may include representatives from Section 5311 or 5310 grantees or other paratransit operators, and other appropriate agencies. It is the Department's policy to provide direct RTAP training at no cost whenever possible, although participants may be required to meet travel, lodging, food and other expenses related to attendance at an RTAP event. The Department provides RTAP training and technical assistance through its own staff, by contract with consultants or other organizations, and by arrangement with neighboring states through reciprocal training and technical assistance offerings.

7.1 Compliance monitoring. It is an important part of the Department's administrative function to monitor compliance with all federal and state requirements. The Department requires a certification of compliance by each recipient and verifies compliance through periodic reporting, site visits or discussions, and audit procedures. The Department will also occasionally perform more detailed management reviews of recipients.

7.1.1 Civil Rights. The Department's Section 5311 application requires recipients to provide the civil rights information specified in the Section 5311 circular, including any active lawsuits or complaints alleging discrimination, a description of other sources of revenue, including Federal agencies, and the minority population in the service area. Each recipient must have a signed DOT Title VI Assurance and FTA Civil Rights Assurance on file with the Department. Recipients must report as required on DBE goals and on progress in meeting the goals. With regard to the Equal Employment Opportunity requirements, the Department requires the civil rights assurances to certify compliance. In the event that a Section 5311 recipient exceeded the thresholds for EEO requirements, a full EEO program would be required.

7.1.2 Section 504/ADA. The Section 5311 application requires a description of services to elderly and disabled individuals. The Department reviews this information, ADA paratransit plans where required, and information gained on site visits, to determine whether the proposed services are sufficient to comply with the Americans with Disabilities Act, Section 504 and pertinent regulations. In its capital purchases under Section 5311, the state complies with ADA regulations.

7.1.3 Charter. The Section 5311 applicants are required to sign a charter agreement and certify compliance with the charter rule. In the Section 5311 applications, each is required to list private transportation operators in its service area. In the event a Section 5311 recipient proposes a charter that does not fall under one of the approved exemptions (e.g. to a nonprofit group serving the elderly or disabled), the recipient must comply with the notice provisions of the charter rule. Charter income is identified separately in Section 5311 accounting, permitting the Department to monitor these operations.

7.1.4 Other requirements. Additional regulatory requirements are addressed in the Section 5311 application process, by requiring the specified clauses, certifications or assurances to be signed by each recipient. These include, but are not limited to, Buy America, environmental protection, labor protection, lobbying restrictions, pre-award and post-delivery audit, and school bus regulations. The Department distributes pertinent information on these requirements to each recipient, briefs each recipient as necessary, and, in the case of complex regulations such as drug and alcohol testing, arranges workshops or other meetings to provide the available information on the regulation to recipients.

September 2002